

Recording Requested By,  
And After Recording, Return To:  
WELLS FARGO BANK,  
NATIONAL ASSOCIATION  
809 West 4 ½ Street, Floor 04,  
Winston Salem, North Carolina 27101-2503  
MAC: D4002-045  
Attn: Commercial Auto Collateral Management

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Land Title No. 214366-LTRef Recording No.  
202505200037SUBORDINATION AGREEMENT  
(DEED OF TRUST)**Grantor (Subordinating Beneficiary):** Peter Lane, Colleen Frauenholtz, Mary Kay Roche and Monica Lane**Grantor (Owner):** DL SKAGIT PROPERTIES, LLC**Grantee (Bank):** WELLS FARGO BANK, NATIONAL ASSOCIATION**Legal Description (abbreviated):** Ptn SW NE, 7-34-4 E W.M., Ptn Tr 3, SP No. 19-77 & Ptn Tr 6, SP 20-77**Additional legal(s) on page A-1.****Assessor's Tax Parcel/Account Number(s):** 340407-1-021-0101/P24079 & 340407-1-022-0407/P24086 & 340407-1-022-0001/P24082**Reference No. of Subordinated Mortgage:** 201810100040 and 202308080061

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE REAL PROPERTY DESCRIBED HEREIN BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT (this "Agreement") is entered into as of May 7th, 2025, by and among DL SKAGIT PROPERTIES, LLC, the owner of the real property described below ("Owner"), Peter Lane, Colleen Frauenholtz, Mary Kay Roche and Monica Lane, the present owner and holder of the Subordinated Deed of Trust defined below ("Beneficiary"), and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Bank").

RECITALS

A. DL SKAGIT PROPERTIES, LLC executed a deed of trust dated as of October 2, 2018,, to Anderson Hunter Law Firm, P.S., as Trustee, and for the benefit of Beneficiary (the "Subordinated Deed of Trust"), to secure a promissory note dated as of October 2, 2018, in the principal amount of \$4,402,161.00 and payable to Beneficiary, or order, which Subordinated Deed of Trust was recorded on October 10, 2018, as Instrument (Serial) No. 201810100040, at Page (Image) 1 of 19 of the Official Records of Skagit County, Washington, and covers the real property described on Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Bank has made, or will hereafter make, a loan to Owner in the principal amount of \$18,160,000.00 (the "Bank Loan"), evidenced by a promissory note dated as of May 7th, 2025, and payable to the order of Bank with interest and upon the terms and conditions described therein, which promissory note is or will be secured by a deed of trust covering the Property (the "Bank Deed of Trust").

C. It is a condition of Bank making or continuing the Bank Loan that the security of the Bank Deed of Trust be and at all times remain a lien or charge on the Property prior and superior to the lien or charge of the Subordinated Deed of Trust thereon.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agrees as follows:

1. SUBORDINATION.

(a) Subordination. The Bank Deed of Trust and any and all extensions, renewals, modifications or replacements thereof shall be and at all times remain a lien or charge on the Property prior and superior to the Subordinated Deed of Trust. Beneficiary intentionally and unconditionally waives, relinquishes and subordinates the priority and superiority of the lien or charge of the Subordinated Deed of Trust to the lien or charge on the Property of the Bank Deed of Trust (including liens and charges thereunder securing all future advances of the Bank Loan and other advances contemplated thereunder).

(b) Reliance. Beneficiary acknowledges that Bank, in extending or continuing to extend credit to Owner secured by the Property, including the Bank Loan, is doing so in material reliance on this Agreement.

(c) Endorsement. Beneficiary has placed an endorsement on the promissory note secured by the Subordinated Deed of Trust stating that it has, by this instrument, been subordinated to the lien or charge of the Bank Deed of Trust.

(d) Acknowledgments of Beneficiary. Beneficiary acknowledges that it has such information with respect to the Bank Loan, and any promissory note and other loan documents executed in connection therewith, as Beneficiary deems necessary in order to grant this subordination. Beneficiary further agrees that Bank is under no obligation or duty to, nor has Bank represented that it will, see to the application of any Bank Loan proceeds by any person or entity, and any application or use of such proceeds for purposes other than those for which they were intended shall not defeat this subordination.

(e) Entire Agreement. This Agreement constitutes the whole and only agreement between the parties hereto with regard to the subordination of the Subordinated Deed of Trust to the lien or charge of the Bank Deed of Trust; there are no agreements (written or oral) outside or separate from this Agreement with respect to the subject matter hereof; and all prior negotiations with respect thereto, if any, are merged into this Agreement. This Agreement shall supersede and cancel, but only insofar as would affect the priority between the Subordinated Deed of Trust and the Bank Deed of Trust, any prior agreements as to such subordination, including without limitation those provisions, if any, contained in the Subordinated Deed of Trust which provide for the subordination thereof to the lien of a deed of trust or mortgage affecting all or any portion of the Property.

2. MISCELLANEOUS.

(a) Notices. All notices, requests and demands which any party is required or may desire to give to any other party under any provision of this Agreement must be in writing delivered to each party at the address set forth below its signature, or to such other address as any party may designate by written notice to all other parties. Each such notice, request and demand shall be deemed given or made as follows: (i) if sent by hand delivery, upon delivery; (ii) if sent by mail, upon the earlier of the date of receipt or three (3) days after deposit in the U.S. mail, first class and postage prepaid; and (iii) if sent by telecopy, upon receipt.

(b) Costs, Expenses and Attorneys' Fees. If any party hereto institutes any arbitration or judicial or administrative action or proceeding to enforce any provisions of this Agreement, or alleging any

breach of any provision hereof or seeking damages or any remedy, the losing party or parties shall pay to the prevailing party or parties all costs and expenses, including reasonable attorneys' fees (to include outside counsel fees and all allocated costs of such prevailing party's in-house counsel), expended or incurred by the prevailing party or parties in connection therewith, whether incurred at the trial or appellate level, in an arbitration proceeding or otherwise, and including any of the foregoing incurred in connection with any bankruptcy proceeding (including without limitation, any adversary proceeding, contested matter or motion brought by Bank or any other person) relating to Owner, Beneficiary or any other person or entity.

(c) Further Assurances. At the request of any party hereto, each other party shall execute, acknowledge and deliver such other documents and/or instruments as may be reasonably required by the requesting party in order to carry out the purpose of this Agreement, provided that no such document or instrument shall modify the rights and obligations of the parties provided herein.

(d) Successors; Assigns; Amendment. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives, successors and assigns of the parties. This Agreement may be amended or modified only in writing signed by all parties hereto.

(e) Severability of Provisions. If any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such waiver or other provision or any remaining provisions of this Agreement.


(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute and be construed as one and the same instrument.

(g) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OWNER:

DL SKAGIT PROPERTIES, LLC

By:   
Thomas Lane, Manager

Address: 680 Auto Boulevard  
Burlington, Washington 98233

BANK:

WELLS FARGO BANK,  
NATIONAL ASSOCIATION

By:   
Stephen Spring, Executive Director

Address: 809 West 4 1/2 Street  
Winston Salem, North Carolina 27101-2503

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH MAY ALLOW THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

BENEFICIARY:

  
Peter Lane

\_\_\_\_\_  
Colleen Frauenholtz

\_\_\_\_\_  
Mary Kay Roche

\_\_\_\_\_  
Monica Lane

Address: 7518 N 22<sup>nd</sup> Place  
Phoenix, Arizona 85020

Address: 3416 Mission Beach Road  
Tulalip, Washington 98271

Address: 2686 Rest Haven Drive  
Whitefish, Montana 59937

Address: 4219 Mission Beach Road  
Tulalip, Washington 98271

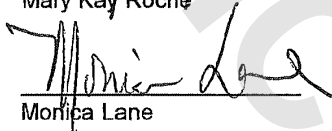
NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH MAY ALLOW THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

BENEFICIARY:

\_\_\_\_\_  
Peter Lane

  
Colleen Frauenholtz

  
Mary Kay Roche

  
Monica Lane

Address: 7518 N 22<sup>nd</sup> Place  
Phoenix, Arizona 85020

Address: 3416 Mission Beach Road  
Tulalip, Washington 98271

Address: 2686 Rest Haven Drive  
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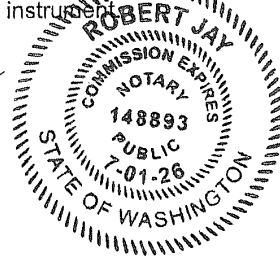
Address: 4219 Mission Beach Road  
Tulalip, Washington 98271

STATE OF WASHINGTON )  
COUNTY OF King ) ss.

I certify that I know or have satisfactory evidence that Stephen Spring is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Executive Director of Wells Fargo Bank, a national association, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 7<sup>th</sup> day of May, 2025

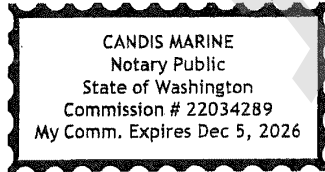
*[Signature]*



STATE OF WASHINGTON )  
COUNTY OF Shohomish ) ss.

I certify that I know or have satisfactory evidence that Thomas Lane is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the managing member of DL Skagit Properties LLC, a Washington LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 25<sup>th</sup> day of April, 2025



Candis Marine  
Notary Public – State of Washington  
My Appointment Expires: 12/5/26

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

I certify that I know or have satisfactory evidence that \_\_\_\_\_ the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

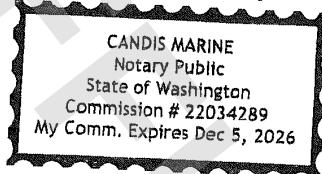
Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public – State of \_\_\_\_\_  
My Appointment Expires: \_\_\_\_\_

STATE OF WASHINGTON )  
COUNTY OF Snohomish ) ss.

I certify that I know or have satisfactory evidence that Colleen Frauenholtz the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument

Dated this 29 day of April, 2025

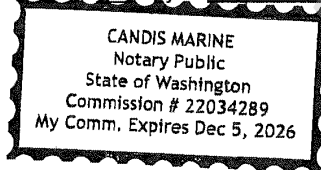


Candis Marine  
Notary Public – State of Washington  
My Appointment Expires: 12/5/26

STATE OF WASHINGTON )  
COUNTY OF Snohomish ) ss.

I certify that I know or have satisfactory evidence that Mary Kay Roche the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 29 day of April, 2025

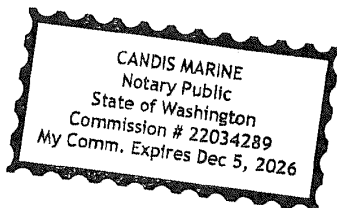


Candis Marine  
Notary Public – State of Washington  
My Appointment Expires: 12/5/26

STATE OF WASHINGTON )  
COUNTY OF Snohomish ) ss.

I certify that I know or have satisfactory evidence that Monica Lane the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 29 day of April, 2025



Candis Marine  
Notary Public – State of Washington  
My Appointment Expires: 12/5/26

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Maricopa )

I certify that I know or have satisfactory evidence that Rite Fare is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of \_\_\_\_\_, a national association, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 30<sup>th</sup> day of April, 2025

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Shohomish )

I certify that I know or have satisfactory evidence that Thomas Lane is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the managing member of DL Skagit Properties LLC, a Washington LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

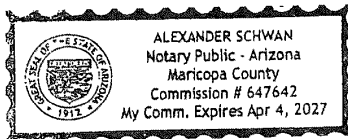
Dated this 25<sup>TH</sup> day of April, 2025

Carolee Marone  
Notary Public – State of Washington  
My Appointment Expires: 12/5/26

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF Maricopa )

I certify that I know or have satisfactory evidence that Rite Fare the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 30 day of April, 2025



Alexander Schwan  
Notary Public – State of Arizona  
My Appointment Expires: April 4, 2027

EXHIBIT A  
TO  
SUBORDINATION AGREEMENT  
(DEED OF TRUST)

Legal Description of Property:

PARCEL A:

That portion of the West 1/2 of the Southwest 1/4 of the Northeast 1/4 of Section 7, Township 34 North, Range 4 East, W.M., lying Westerly of that certain tract taken by the State of Washington in Skagit County Superior Court Cause No. 33544, under Stipulated Judgment and Decree of Appropriation entered January 30, 1974,

EXCEPT the North 660 feet thereof,

AND ALSO EXCEPT the South 30 feet thereof conveyed to the State of Washington by Deed dated June 19, 1957 and recorded October 17, 1957, under Auditor's File No. 557370 for road purposes.  
Situate in the County of Skagit, State of Washington.

PARCEL B:

Tract 3, SHORT PLAT NO. 19-77, approved May 12, 1977 and recorded May 18, 1977 in Volume 2 of Short Plats, page 60 under Auditor's File No. 856677, records of Skagit County, Washington.

EXCEPT that portion along the Northerly and Northwesterly lines thereof, delineated as "Private Road and Utilities Easement" on the face of said short plat.

Situate in the County of Skagit, State of Washington.

PARCEL B.1:

A non-exclusive easement for ingress, egress and utilities over, under and across private road and utility easement commonly known as Auto Blvd as delineated on the face of SHORT PLAT NO. 19-77, approved May 12, 1977 and recorded May 18, 1977 in Volume 2 of Short Plats, page 60 under Auditor's File No. 856677, records of Skagit County, Washington and SHORT PLAT NO. 20-77, approved May 12, 1977 and recorded May 18, 1977 in Volume 2 of Short Plats, page 61 under Auditor's File No. 856678, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL C:

Tract 6, SHORT PLAT NO. 20-77, approved May 12, 1977 and recorded May 18, 1977 in Volume 2 of Short Plats, page 61 under Auditor's File No. 856678, records of Skagit County, Washington.

EXCEPT that portion along the Northerly and Northwesterly lines thereof, delineated as "Private Road and Utilities Easement" on the face of said short plat.

Situate in the County of Skagit, State of Washington.

**PARCEL C.1:**

A non-exclusive easement for ingress, egress and utilities over, under and across private road and utility easement commonly known as Auto Blvd as delineated on the face of SHORT PLAT NO. 19-77, approved May 12, 1977 and recorded May 18, 1977 in Volume 2 of Short Plats, page 60 under Auditor's File No. 856677, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.